BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2003-58-T - ORDER NO. 2003-333

MAY 19, 2003

IN RE: Application of South Carolina Tariff Bureau,

Inc., Post Office Box 25803, Columbia, SC) DIESEL FUEL

29224 (District 2) for a Fuel Price/Percentage

PRICE/PERCENTAGE

ORDER GRANTING

Matrix.

MATRIX

This matter comes before the Public Service Commission of South Carolina ("Commission") pursuant to an Application filed by The South Carolina Tariff Bureau, Inc. ("the Bureau" or "the Applicant") seeking the approval of a fuel price/percentage matrix. The Application was filed with the Commission on February 13, 2003 pursuant to S.C. Code Ann. Section 58-23-1010 (Supp. 2002). In its Application, the Bureau has requested authority to apply a fuel price/percentage matrix to item 300 and transportation rates contained in Tariff No. 03. The application states the primary reason for the requested fuel matrix is to compensate for escalating fuel prices. The Bureau further contends that the adoption of a fuel price/percentage matrix will replace the need for an emergency type fuel surcharge, such as that issued most recently by this Commission on February 27, 2003 in Order No. 2003-98, and is fairer because the matrix increases or decreases based on the actual fuel price average.

By letter dated February 25, 2003, the Commission's Executive Director instructed the Applicant to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing

was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the docket. The Applicant filed Affidavits of Publication as proof that it had complied with the instructions of the Executive Director. No comments or applications to intervene or protests to the Application were received by the Commission by the deadline date of March 28, 2003.

In accordance with Commission Order No. 2003-98 and Commission Regulation 103-193 (1) there being no public response to the notice of Application, the Commission waived a hearing in this matter. The Application and development of a fuel matrix was therefore discussed between the staff and the Commission at its weekly meeting held on April 29, 2003 and May 6, 2003 to determine the implementation and proper procedures for the use of a diesel fuel price adjustment factor matrix.

EXAMINATION OF THE APPLICATION

According to the Application, the Bureau is requesting authority from the Commission for a diesel fuel price/percentage matrix to replace the current emergency fuel surcharge and provide a long-term solution to the issue of transportation fuel costs and its effect on the household moving industry and Tariff No. 03. The Bureau believes that the matrix is fairer both for the Household Goods Carriers and the general public because it increases or decreases based on a fuel price average.

In its Application, the Bureau has recommended the Commission adopt a matrix based on a national fuel price average. Subsequent to the Application, and at the request

of the Commission, the Bureau and the Staff provided additional information regarding regional and South Carolina fuel price averages.

Upon review and consideration of the Application, supporting documentation, and the applicable law, the Commission hereby issues the following findings of fact and conclusions of law:

FINDINGS AND CONCLUSIONS

- 1. In the interest of providing the public with adequate and efficient transportation service at the lowest cost consistent with the furnishing of such service and balancing that with the need of carriers for revenues sufficient to enable them, under economical and efficient management, to provide such service, we find that it is in the best interest of both the industry and the general public to establish a fuel matrix.
- 2. The fuel matrix as set forth in this Order shall be effective the First Monday of June 2003 and for all future calendar months.
- 3. We find that such a matrix should be based on the average cost of diesel fuel in the State of South Carolina, rather than being based on a national or regional price average.
- 4. As there is no governmental source available to this Commission which would provide an average cost of fuel in this state on a timely and regular basis, we hereby adopt average fuel prices for the State of South Carolina as provided by the Automobile Association of America ("AAA"). This information will be obtained via the internet on the AAA website at: http://198.6.95.31/SCmetro.asp.

5. The state average diesel fuel price obtained via the AAA website is to be indexed based on the diesel fuel price/adjustment factor matrix set forth in the Interstate Diesel Fuel Cost Price Adjustment Tariff filed by the Bureau in conjunction with this case under Docket No. 2003-58-T.

6. The Diesel Fuel Cost Price Adjustment Tariff will become applicable on the Fifteenth (15th) day of the same month for which the state average price of diesel fuel is obtained and the adjustment determined will apply for shipments loaded beginning on the 15th day of the month and remain in effect through the 14th day of the subsequent month.

- 7. The Bureau is hereby Ordered to file an Intrastate Diesel Fuel Cost Price Adjustment tariff with the Commission consistent with the plan contained herein.
- 8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Mignon L. Clyburn, Chairman

ATTEST:

Gary E. Walsh, Executive Director

(SEAL)